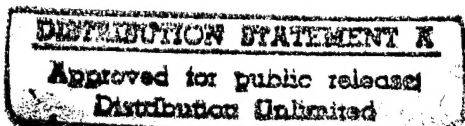


Defense Contract Audit Agency
FY 1997 Budget Estimates
Information Technology Exhibits

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Title</u>	<u>Page</u>
Executive Summary	Executive Summary.....	1
43	Report on Information Technology Resources.....	4
43 (IT-1)	Information Technology Resources by CIM Functional Area.....	6
43 (IT-2)	Descriptive Summary.....	7
43 (IT-3)	FIP Resources Requirements and IDIQ Contracts.....	11



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DEPARTMENT OF DEFENSE
DEFENSE CONTRACT AUDIT AGENCY
Executive Summary
FY 1997 Budget Estimates

1. Initiatives

Background. In FY 1985, the Defense Contract Audit Agency (DCAA) began developing and installing an integrated information processing network to support word processing, data processing and telecommunications for approximately 170 field audit offices, six regional offices, and the Agency Headquarters. The network was originally called the DCAA Integrated Information System (DIIS). A few years ago, the name was changed to Information Technology (IT), and DCAA is currently referring to the network as the DCAA Integrated Information Network (DIIN).

DCAA's decision to develop an integrated information network was based on findings of studies that identified aspects of Agency operations where productivity improvements could be achieved by applying the latest technology in data processing, telecommunications and office automation. These studies applied procedures and guidelines published by the National Bureau of Standards for performing requirements analyses for office automation projects and involved: (1) analyzing the source, use, interaction and methods of collecting and retaining information at all organizational levels; (2) determining efficiency of current management and administrative processes and systems; (3) modifying or eliminating ineffective or inefficient procedures; (4) defining new and/or validating existing information requirements; and (5) implementing an information system that maximizes auditor and administrative productivity in meeting mission requirements. Funding for the integrated network in FY 1985 and FY 1986 was approved under the DoD's Productivity Enhancing Capital Investment (PECI) Program.

The integrated network was originally designed to be a three-tiered, distributed data network with separate but compatible subsystems (sets of hardware components and application software) operating independently at the Agency's three organizational levels (Headquarters, regional offices, and field audit offices [FAOs]). The network was designed to exploit the latest information processing technology by automating work processes, thereby reducing or eliminating time expended in the collection, processing, retrieval, analysis and dissemination of information needed to accomplish the Agency's audit mission.

In FYs 1985 and 1986, local area networks, multifunctional microcomputers and supportive hardware and software were acquired and installed to meet the needs of the first tier, the FAO subsystem. In 1988, a requirements analysis was performed to determine the regional office and Headquarters (tiers 2 and 3) subsystems components. Various alternatives were considered (such as installing mini-computers at the regional offices and Headquarters); however, the Agency decided to satisfy these requirements by using the same type of equipment purchased for the FAO subsystem, by

purchasing additional microcomputer-based local area networks, and by utilizing Government timesharing facilities. As a result of this decision (not to pursue alternative equipment for tiers 2 and 3), the network was considered to be fully implemented. In FYs 1988 and 1989, DCAA augmented the network by purchasing 2,225 microcomputers.

Implementation of the network has improved the quality of audit management and performance, reduced the time required to perform audit activities and improved methods of handling and reporting information throughout the Agency. Savings that are achieved through productivity increases are reapplied to other Agency programs.

Current Information Technology

Since FY 1990, DCAA has only acquired FIP resources that were needed to keep its integrated information network operational. Standardized networks are in place at all levels within the Agency. The goal of a 1:1.5 ratio of microcomputers to field auditors and a 1:1 ratio for supervisory and administrative personnel has been achieved. Local area networks are installed at every field audit office, regional office, and Headquarters element. Hardware and software on all networks are standardized and version control is maintained. Electronic mail allows users at all levels to communicate with each other throughout the entire Agency. The Agency's primary management information reporting systems, the FAO Management Information System (FMIS) and the Agency Information System (AMIS) are fully operational.

Key aspects of the FY 1997 budget include funds for: the replacement of approximately 960 microcomputers which have become obsolete or inoperable; upgrades, such as replacement file servers and increased storage capability, for the local area networks that were purchased in FY 92; optical technology (scanners, readers, storage devices; upgrades to the Agency's data communications hardware and software; microcomputers, hardware peripherals, and software in support of the Agency's EDP Expansion Program; and replacements components, such as keyboards, monitors, and printers, for equipment that has become obsolete or inoperable. DCAA plans to use the PC-LAN II contract to purchase LAN upgrades, the Army Portable-1 to purchase replacement notebook computers, and the Army Personal-1 to purchase replacement desktop computers and other peripheral equipment.

DCAA does not have any financial systems to be reported.

Changes between FY 1996/1997 Biennial Budget Estimates Submission and FY 1997 Budget Estimates Submission

DCAA has had several changes in the DIIN program since the previous submission, however the overall totals have declined from the last submission for FY 1995, FY 1996, and FY 1997 by 8%, 24%, and 21%, respectively. The primary change is the significant savings in upgrading Agency software. DCAA accomplished most of this upgrade (word-processing, spreadsheet, graphics, and

database software) in FY 1995. Rather than buying separate software packages, DCAA chose a software suite which was available at a lower cost on an existing Department-wide contract.

In conjunction with the upgrade accomplishment, DCAA increased software training in FY 1995 in an effort to get all employees trained in FY 1995, reducing residual training requirements for FY 1996 and FY 1997.

DCAA has also seen significant savings in communications costs with FTS and DISA. As the Agency has converted to ANI, FTS costs have been reduced. DISA is no longer charging DCAA for backbone costs, which saves another \$400k per year.

Changes based on FY 1995 actuals include an increase in equipment for FY 1995 for items such as phone upgrades, random access chips and laser printers. Software support services appears to decline, but this is due only to recategorizing one of the services into software maintenance. Supplies increased somewhat in FY 1995 primarily due to unanticipated requirements in conjunction with the Belvoir move at Headquarters. Travel also declined based on FY 1995 actuals.

Equipment maintenance costs are expected to increase for FY 1996 due to expired warranties on newer equipment, however revised levels are still lower than the prior submission.

Intra-government software costs have increased as more regions take advantage of the Corps of Engineers' Lexis contract. Intra-government processing costs are expected to increase for FY 1996 as a result of NCTS' move to Mechanicsburg.

Finally, space costs decreased due to the Belvoir move, however equipment maintenance costs increased as a result of DLA controlling LAN maintenance at the new HQ Complex building.

DEPARTMENT OF DEFENSE
DEFENSE CONTRACT AUDIT AGENCY
Report on Information Technology (IT) Resources
FY 1997 Budget Estimates
(Dollars in Thousands)

	FY 1995	FY 1996	FY 1997
1. Equipment			
A. Capital Purchases	3,942	3,736	3,832
B. Purchases/Leases	705	436	462
Subtotal	<u>4,647</u>	<u>4,172</u>	<u>4,294</u>
2. Software			
A. Capital Purchases	0	0	0
B. Purchases/Leases	1,137	1,166	997
Subtotal	<u>1,137</u>	<u>1,166</u>	<u>997</u>
3. Services			
A. Communications	1,461	1,453	1,506
B. Processing	0	0	0
C. Other	0	0	0
Subtotal	<u>1,461</u>	<u>1,453</u>	<u>1,506</u>
4. Support Services			
A. Software	45	45	46
B. Equipment Maintenance	469	680	692
C. Other	1,197	686	721
Subtotal	<u>1,711</u>	<u>1,411</u>	<u>1,459</u>
5. Supplies	437	416	400
6. Personnel (Compensation/Benefits)			
A. Software	1,973	1,929	1,972
B. Equipment Maintenance	219	214	219
C. Other	1,754	1,715	1,753
D. Communications	219	214	219
E. Other	219	214	219
Subtotal	<u>4,384</u>	<u>4,286</u>	<u>4,382</u>
7. Other (Non-FIP Resources)			
A. Capital Purchases	0	0	0
B. Other Current	443	360	360
Subtotal	<u>443</u>	<u>360</u>	<u>360</u>
8. Intra-Governmental Payments			
A. Software	73	105	105
B. Equipment Maintenance	0	100	100
C. Processing	675	800	800
D. Communications	1,374	1,410	1,420
E. Other	275	223	228
Subtotal	<u>2,397</u>	<u>2,638</u>	<u>2,653</u>
9. Intra-Governmental Collections			
A. Software	0	0	0
B. Equipment Maintenance	0	0	0
C. Processing	0	0	0
D. Communications	0	0	0
E. Other	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>
NET IT RESOURCES	<u>16,617</u>	<u>15,902</u>	<u>16,051</u>
Workyears	74	71	71
Non-DBOF	74	71	71
DBOF	0	0	0

DEPARTMENT OF DEFENSE
DEFENSE CONTRACT AUDIT AGENCY
Report on Information Technology (IT) Resources
FY 1997 Budget Estimates
(Dollars in Thousands)

<u>Appropriation/Fund</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
0100 O&M, Def-Wide	12,675	12,166	12,219
0300 Proc, Def-Wide	3,942	3,736	3,832
Total By Appropriation:	16,617	15,902	16,051

NOTE 1: Military Personnel Cost in the DBOF is computed at the equivalent civilian rate as prescribed by the DBOF Guidance.

NOTE 2: FY 1995 estimates reflect a \$50 thousand investment/expense threshold, FY 1996 reflects a \$100 thousand investment/expense threshold as adjusted by Congress (Section 8065 in Public Law 104-61), and for FY 1997, appropriated funds will adhere to the centrally managed criteria in that the Department will budget for the purchase of noncentrally managed items (by definition installation/local level type items) in the O&M appropriation regardless of the unit cost of the item. DBOF will maintain the \$100 thousand threshold for FY 1997 and beyond.

DEPARTMENT OF DEFENSE
Defense Contract Audit Agency
Information Technology Resources by CIM Functional Area
FY 1997 Budget Estimates
(Dollars in Thousands)

	FY 1995	FY 1996	FY 1997
A. Other Special Staff			
1. Major Systems/Initiatives			
2. Non-Major Systems/Initiatives			
Development/Modernization	6,429	5,918	5,890
Current Services	10,188	9,984	10,161
Subtotal	16,617	15,902	16,051
Appropriation/Fund			
O&M, Def-Wide	12,675	12,166	12,219
Proc, Def-Wide	3,942	3,736	3,832
3. All Other Other Special Staff			
4. Total Other Special Staff			
Development/Modernization	6,429	5,918	5,890
Current Services	10,188	9,984	10,161
Subtotal	16,617	15,902	16,051
Appropriation/Fund			
O&M, Def-Wide	12,675	12,166	12,219
Proc, Def-Wide	3,942	3,736	3,832
CIM Grand Total			
Development/Modernization	6,429	5,918	5,890
O&M, Def-Wide	2,487	2,182	2,058
Proc, Def-Wide	3,942	3,736	3,832
Current Services	10,188	9,984	10,161
O&M, Def-Wide	10,188	9,984	10,161
Total	16,617	15,902	16,051
Appropriation/Fund			
O&M, Def-Wide	12,675	12,166	12,219
Proc, Def-Wide	3,942	3,736	3,832

DEPARTMENT OF DEFENSE
DEFENSE CONTRACT AUDIT AGENCY
Descriptive Summary
FY 1997 Budget Estimates

A. AIS Title and Number: DCAA Integrated Information Network (DIIN)

B. CIM Functional Area: Other Special Staff

C. Life Cycle Cost and Program Cost* :

1. Then year (Inflated) dollars

Approved Life-cycle cost: \$ 210.8 (\$ in millions of dollars)

Estimated Life-cycle cost: \$ 210.8 (\$ in millions of dollars)

2. Constant base year (FY 1985 - 1997) dollars

Approved Life-cycle cost: \$ 210.8 (\$ in millions of dollars)

Estimated Life-cycle cost: \$ 210.8 (\$ in millions of dollars)

3. Sunk Cost (actual): \$ 210.8 (\$ in millions of dollars)

4. Cost To Complete: \$ unknown (\$ in millions of dollars)

* Approved and estimated life-cycle costs match and describe the total cost of the network since inception. Since DIIN is not really a system, but rather an information technology network, comprised of office automation and telecommunications costs, life-cycle costing does not really apply to the network.

D. Cross Reference to Justification Books:

Resources under AIS, Information Technology, may be cross-referenced as follows:

O&M, Defense-Wide: Exhibit O-1, Line Item #110

Procurement, Defense-Wide: Exhibit P-1, Line Item #32

E. System Description:

DCAA is continuing the process of maintaining (and upgrading) an integrated information processing network that was purchased and installed in FYs 1985 and 1986. The system became fully implemented in FY 1988 and supports word processing, data processing, and telecommunications for approximately 108 field audit offices, five regional offices, the Defense Contract Audit Institute/Technical Services Center, and the Agency Headquarters.

The integrated network was originally designed to be a three-tiered, distributed data network with separate but compatible subsystems (sets of hardware components and application software) operating independently at the Agency's three organizational levels (Headquarters, regional offices, and field audit offices [FAOs]). The network was designed to exploit the latest information processing technology by automating work processes, thereby reducing or eliminating time expended in the collection, processing, retrieval, analysis and dissemination of information needed to accomplish the Agency's audit mission.

In FYs 1985 and 1986, local area networks, multifunctional microcomputers and supportive hardware and software were acquired and installed to meet the needs of the first tier, the FAO subsystem. In 1988, a requirements analysis was performed to determine the regional office and Headquarters (tiers 2 and 3) subsystems components. Various alternatives were considered (such as installing mini-computers at the regional offices and Headquarters); however, the Agency decided to satisfy these requirements by using the same type of equipment purchased for the FAO subsystem, by purchasing additional microcomputer-based local area networks, and by utilizing Government timesharing facilities. As a result of this decision (not to pursue alternative equipment for tiers 2 and 3), the network was considered to be fully implemented. In FYs 1988 and 1989, DCAA augmented the network by purchasing 2,225 microcomputers.

Implementation of the network has improved the quality of audit management and performance, reduced the time required to perform audit activities and improved methods of handling and reporting information throughout the Agency. Savings that are achieved through productivity increases are reapplied to other Agency programs.

F. Program Accomplishments and Plans:

1. FY 1995 Accomplishments: In FY 1995, DCAA purchased 948 desktop and 522 notebook computers to replace computers that were purchased in FY 1989 and 1990 that had become technologically obsolete and were unable to run current software applications. In some cases, these computers were used to replace older non-operational computers where the cost to repair the computers would have exceeded the cost to replace them. In addition, DCAA purchased 324 laser and dot matrix printers, as replacement items for printers that were either technologically obsolete or unrepairable. DCAA also upgraded its wordprocessing, spreadsheet, and database software packages by purchasing 5,282 copies of Microsoft Office Suite software. By purchasing the software suite, which was a single software package, at \$88 per copy, DCAA was able to reduce its software costs by over \$1.6 million.

2. FY 1996 Planned Program. The plan for FY 1996 is to continue to upgrade DCAA's local area networks and microcomputers to keep them fully operational. An estimated 1,160 desktop and notebook computers will be purchased to replace computers that were purchased in FYs 90-91 that are now obsolete and incapable of running the Agency's applications software or inoperable beyond repair. Those network components which continue to provide required capabilities, even if marginal, will be retained; those components which are obsolete will be replaced. In FY 96, LAN upgrades will include replacing tape backup units and enhancements to communications hardware (modems) and software. DCAA's budget for IT reflects a phased approach to upgrading its local area networks, microcomputers and other peripheral equipment, and software to keep the network operational to meet mission needs. DCAA will continue to phase out obsolete components over time as the components lose their usefulness and will replace them with new components that take advantage of the latest technology.

3. FY 1997 Planned Program: The plan for FY 1997 is to continue to upgrade DCAA's local area networks and microcomputers to keep them fully operational. In FY 97, DCAA will replace approximately 960 microcomputers which were purchased in FY 91-92 that have become obsolete or inoperable. In addition, upgrades, such as replacement file servers and increased storage capability, will be purchased for the local area networks that were purchased in FY 92. Those network components which continue to provide required capabilities, even if marginal, will be retained; those components which are obsolete will be replaced. Other planned purchases in FY 97 include: optical technology (scanners, readers, storage devices; upgrades to the Agency's data communications hardware and software; microcomputers, hardware peripherals, and software in support of the Agency's EDP Expansion Program; and replacements components, such as keyboards, monitors, and printers, for equipment that has become obsolete or inoperable.

G. Contract Information:

Hardware and software components (LANs, microcomputers, printers, etc.) for the DCAA information network were purchased in FYs 85-86 via a competitively acquired Agency-wide 5-year IDIQ contract with Federal Technology Corporation (now called Microdyne). Since FY 86, all additional and/or replacement components have been purchased from DoD joint service contracts (Desktop II - Zenith Data Systems; SMC - EDS; PC-LAN - Digital Equipment Corporation; Lapheld II - Sears Business Centers (now INACOM); Desktop IV - Zenith Data Systems GTSI); Army PC-1 - Sysorex; Army Portable 1 - International Data Products; or from a DCAA initiated 3-year IDIQ contract for portable and desktop computers which was awarded (competitively) to Federal Technology Corporation in 1989.

H. Comparison with FY 96 Description Summary:

1. Technical Changes: There are no significant technical changes.
2. Schedule Changes: There are no schedule changes.

3. Cost changes:

The overall funding level from FY 1995 to FY 1996 decreases by approximately 4 percent. The overall funding level from FY 1996 to FY 1997 increases by less than 1 percent.

DCAA has had several changes in the DIIN program since the previous submission, however the overall totals have declined from the last submission for FY 1995, FY 1996, and FY 1997 by 8%, 24%, and 21%, respectively. The primary change is the significant savings in upgrading Agency software. DCAA accomplished most of this upgrade (word-processing, spreadsheet, graphics, and database software) in FY 1995. Rather than buying separate software packages, DCAA chose a software suite which was available at a lower cost on an existing Department-wide contract.

In conjunction with the upgrade accomplishment, DCAA increased software training in FY 1995 in an effort to get all employees trained in FY 1995, reducing residual training requirements for FY 1996 and FY 1997.

DCAA has also seen significant savings in communications costs with FTS and DISA. As the Agency has converted to ANI, FTS costs have been reduced. DISA is no longer charging DCAA for backbone costs, which saves another \$400k per year.

Changes based on FY 1995 actuals include an increase in equipment for FY 1995 for items such as phone upgrades, random access chips and laser printers. Software support services appears to decline, but this is due only to recategorizing one of the services into software maintenance. Supplies increased somewhat in FY 1995 primarily due to unanticipated requirements in conjunction with the Belvoir move at Headquarters. Travel also declined based on FY 1995 actuals.

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Intra-government software costs have increased as more regions take advantage of the Corps of Engineers' Lexis contract. Intra-government processing costs are expected to increase for FY 1996 as a result of NCTS' move to Mechanicsburg.

Finally, space costs decreased due to the Belvoir move, however equipment maintenance costs increased as a result of DLA controlling LAN maintenance at the new HQ Complex building.

Defense Contract Audit Agency
FIP Resources Requirements and Indefinite Delivery/
Indefinite Quantity Contracts
User
FY 1997 Budget Estimates

- A. Contract Name: Army PC-1
- B. Description of Contract: Army IDIQ contract for desktop PCs (low, medium, high) as well as office automation software.
- C. Contract Number: DAHC94-95-D-0006 (Sysorex)
DAHC94-95-D-0005 (EDS)
- D. Estimated Contract Requirements by appropriation (\$000):

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>
Procurement	17	1,270	1,200
O&M	<u>465</u>	<u>500</u>	<u>500</u>
Total	482	1,770	1,700

E. Contract Data:

- (1). Contract awarded to: N/A
- (2). Contract Award Date: N/A
- (3). Brand name(s) and model number(s) of primary hardware and software: N/A
- (4). Contract duration (in years): N/A
- (5). Contract renewal options: N/A
- (6). Estimated value of contract: N/A
- (7). Minimum obligation by FY: N/A

Defense Contract Audit Agency
FIP Resources Requirements and Indefinite Delivery/
Indefinite Quantity Contracts
User
FY 1997 Budget Estimates

A. Contract Name: Army Portable I

B. Description of Contract: Army IDIQ contract for laptops, notebooks, personal digital assistants, personal computer peripherals, and personal computer software.

C. Contract Number: Not awarded

D. Estimated Contract Requirements by appropriation (\$000):

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>
Procurement	1,220	1,766	1,432
O&M	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,220	1,766	1,432

E. Contract Data:

- (1). Contract awarded to: N/A
- (2). Contract Award Date: N/A
- (3). Brand name(s) and model number(s) of primary hardware and software: N/A
- (4). Contract duration (in years): N/A
- (5). Contract renewal options: N/A
- (6). Estimated value of contract: N/A
- (7). Minimum obligation by FY: N/A

Defense Contract Audit Agency
FIP Resources Requirements and Indefinite Delivery/
Indefinite Quantity Contracts
User
FY 1997 Budget Estimates

A. Contract Name: Navy Personal Computer Peripherals

B. Description of Contract: Navy IDIQ contract for peripherals to support those desktop and portable systems currently being developed through, but limited to, the Desktop II, Desktop IV, SMC, and the Lapheld II contracts.

C. Contract Number: Not awarded

D. Estimated Contract Requirements by appropriation (\$000):

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>
Procurement	127	200	200
O&M	<u>112</u>	<u>0</u>	<u>0</u>
Total	239	200	200

E. Contract Data:

- (1). Contract awarded to: N/A
- (2). Contract Award Date: N/A
- (3). Brand name(s) and model number(s) of primary hardware and software: N/A
- (4). Contract duration (in years): N/A
- (5). Contract renewal options: N/A
- (6). Estimated value of contract: N/A
- (7). Minimum obligation by FY: N/A

Defense Contract Audit Agency
FIP Resources Requirements and Indefinite Delivery/
Indefinite Quantity Contracts
User
FY 1997 Budget Estimates

A. Contract Name: Navy PC-LAN II

B. Description of Contract: Navy IDIQ contract for local area network file servers, disk drives, storage devices and other peripheral equipment, site surveys, network engineer services, training, and operating system software.

C. Contract Number: Not awarded

D. Estimated Contract Requirements by appropriation (\$000):

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>
Procurement	306	300	1,000
O&M	<u>616</u>	<u>0</u>	<u>0</u>
Total	922	300	1,000

E. Contract Data:

- (1). Contract awarded to: N/A
- (2). Contract Award Date: N/A
- (3). Brand name(s) and model number(s) of primary hardware and software: N/A
- (4). Contract duration (in years): N/A
- (5). Contract renewal options: N/A
- (6). Estimated value of contract: N/A
- (7). Minimum obligation by FY: N/A

Defense Contract Audit Agency
FIP Resources Requirements and Indefinite Delivery/
Indefinite Quantity Contracts
User
FY 1997 Budget Estimates

A. Contract Name: Desktop IV

B. Description of Contract: Air Force IDIQ contract for desktop PC's (low, medium, high) as well as automation software.

C. Contract Number: F01620-93-D-0002

D. Estimated Contract Requirements by appropriation (\$000):

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>
Procurement	2,086	0	0
O&M	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,086	0	0

E. Contract Data:

- (1). Contract awarded to: N/A
- (2). Contract Award Date: N/A
- (3). Brand name(s) and model number(s) of primary hardware and software: N/A
- (4). Contract duration (in years): N/A
- (5). Contract renewal options: N/A
- (6). Estimated value of contract: N/A
- (7). Minimum obligation by FY: N/A